

**SECOND ENGROSSMENT
with Conference Committee Amendments**

REENGROSSED HOUSE BILL NO. 1407

Introduced by

Representatives Berg, Keiser, Price

Senators Espeland, Krebsbach, Lee

1 A BILL for an Act to provide for a cost-benefit analysis of mandated health insurance coverage
2 of services; to provide for a legislative council study; and to provide an appropriation.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. Health insurance mandated coverage of services - Cost-benefit**
5 **analysis requirement.**

6 1. A legislative measure mandating health insurance coverage of services or
7 payment for specified providers of services may not be acted on by any committee
8 of the legislative assembly unless the measure is accompanied by a cost-benefit
9 analysis provided by the legislative council. Factors to consider in this analysis
10 include:

11 a. The extent to which the proposed mandate would increase or decrease the
12 cost of the service.

13 b. The extent to which the proposed mandate would increase the appropriate
14 use of the service.

15 c. The extent to which the proposed mandate would increase or decrease the
16 administrative expenses of insurers and the premium and administrative
17 expenses of insureds.

18 d. The impact of the proposed mandate on the total cost of health care.

19 2. A majority of the members of the committee, acting through the chairman, has sole
20 authority to determine whether a legislative measure mandates coverage of
21 services under this section.

22 3. Any amendment made during a legislative session to a measure which mandates
23 health insurance coverage of services may not be acted on by a committee of the

1 legislative assembly unless the amendment is accompanied by a cost-benefit
2 analysis provided by the legislative council.

3 4. The legislative council shall contract with a private entity, after receiving one or
4 more recommendations from the insurance commissioner, to provide the
5 cost-benefit analysis required by this section. The insurance commissioner shall
6 pay the cost of the contracted services to the entity providing the services.

7 **SECTION 2. LEGISLATIVE COUNCIL STUDY - REPORT BY INSURANCE**

8 **COMMISSIONER ON HEALTH INSURANCE MANDATED COVERAGE OF SERVICES.** The
9 legislative council shall consider studying during the 2001-02 interim existing mandated health
10 insurance coverage of services and the feasibility and desirability of repealing state laws
11 mandating health insurance coverage of services. During the 2001-02 interim, the insurance
12 commissioner shall evaluate, subject to receipt of adequate funding under section 3 of this Act,
13 each existing health insurance coverage mandate on the basis of cost or effect on insurance
14 premiums as these relate to the benefits and evaluate the benefits of reducing the need for
15 future health care services due to early identification and treatment. The insurance
16 commissioner may contract with a third party to perform the evaluations. The insurance
17 commissioner shall present the report to the legislative council before July 1, 2002.

18 **SECTION 3. FUNDING AUTHORITY - APPROPRIATION.** The insurance

19 commissioner may accept, receive, and expend public and private moneys, not in excess of
20 \$250,000, made available by grant or donation to accomplish the evaluations required under
21 section 2 of this Act and those moneys are appropriated to the insurance commissioner for
22 these purposes for the biennium beginning July 1, 2001, and ending June 30, 2003. Any
23 unexpended appropriation authority to and any excess income received by the insurance
24 commissioner under chapter 32 of the 1999 Session Laws, in an amount not to exceed
25 \$250,000, are not subject to section 54-44.1-11 and are available and may be expended by the
26 insurance commissioner to accomplish the evaluations required under section 2 of this Act
27 during the biennium beginning July 1, 2001, and ending June 30, 2003. The unexpended
28 appropriation authority may only be spent to the extent that the expenditure does not reduce
29 the projected transfers to the general fund under section 26.1-01-07.1 as projected by the
30 fifty-seventh legislative assembly revenue forecast for the 2001-03 biennium.

1 **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the
2 insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of
3 \$55,000, or so much of the sum as may be necessary, to the insurance commissioner for the
4 purpose of paying for the services contracted for under section 1 of this Act, for the biennium
5 beginning July 1, 2001, and ending June 30, 2003.